

Message Text

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ORIGIN COM-04

INFO OCT-01 EA-07 ISO-00 EB-08 TRSY-02 L-03 NEA-10
IO-13 CIAE-00 INR-07 NSAE-00 /055 R

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FM SECSTATE WASHDC
TO AMEMBASSY BANGKOK
AMEMBASSY MANILA
INFO AMEMBASSY TOKYO

C O N F I D E N T I A L STATE 070912

E.O. 11652: GDS

TAGS: BENC, ASEAN, TH

SUBJECT: MAJOR PROJECTS: RTG'S ASEAN PROJECT-ROCK SALT/SODA
ASH

REF: (A) BANGKOK 6262; (B) MANILA 3954 (NOTAL);

(C) STATE 57668 (NOTAL); (D) STATE 63396; (E) MANILA 4253

MANILA FOR USADB

1. COMMERCE/MEPD APPRECIATES PROMPT REPLIES FROM USADB AND
EMBASSY BANGKOK ON SUBJECT PROJECT. WITH INFORMATION
CONTAINED REFS A AND B AND FURTHER CONVERSATIONS WITH U.S.
FIRMS WE HAVE BETTER PICTURE OF RELATIONSHIPS AND
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COMPETITION ON THIS PROJECT. PER REF B, FLUOR AND
STEARNS-ROGER ARE PREQUALIFIED FOR FEASIBILITY STUDY
CONTRACT. BIDS ARE DUE APRIL 18. BELIEVE WE HAVE
IDENTIFIED MOST OTHER BIDDERS EXCEPT GERMAN FIRM: UNICO?
(JAPAN); SNC AND AIKERS (CANADA); LEIGHTON ASSOCIATES
(AUSTRALIA). WOULD HELP TO KNOW NAME OF GERMAN BIDDER.

2. DIAMOND SHAMROCK MAINTAINS AN INTEREST IN PARTICIPATING IN FEASIBILITY STUDY AS CONSULTANT TO ENGINEERING FIRM ON PROCESS AND OTHER TECHNICAL MATTERS. FYI: DIAMOND HAS ALREADY BEEN APPROACHED BY CANADIAN FIRM SNC; HOWEVER, WE ARE HOPING TO MATCH FLUOR AND DIAMOND, IF THIS PROVES FEASIBLE AND ACCEPTABLE TO FLUOR. STEARNS-ROGER IS ALREADY COMMITTED TO WORKING WITH PITTSBURGH PLATE GLASS (PPG). END FYI. WE WILL OF COURSE TRY TO SUPPORT BOTH FLUOR AND STEARNS ROGER/PPG EFFORTS TOWARD WINNING STUDY CONTRACT. ASSUME THAT UNICO WILL SOLICIT CONSULTANT SERVICES OF ASAHI GLASS.

3. DIAMOND SHAMROCK AND PPG ARE DIRECT COMPETITORS IN PRODUCING SYNTHETIC SODA ASH AND LICENSING PROCESS TECHNOLOGY. JAPANESE ASAHI GLASS ALSO IS A PRODUCER AND PROCESS LICENSOR IN THIS AREA AND IS THEREFORE ALSO A COMPETITOR. RE PARA 2 REF A, FYI, ACCORDING TO DIAMOND, STUDY DIAMOND PERFORMED PREVIOUSLY FOR SRIFEUNGFUNG FAMILY WAS DONE UNDER A JOINT VENTURE BETWEEN DIAMOND AND CATHAY TRUST FORMED FOR PURPOSES OF STUDY (THAI-DIAMOND HOLDING COMPANY). JOINT VENTURE STILL EXISTS BUT ONLY AS HOLDING COMPANY. ASAHI GLASS, WHO ALSO HAS JOINT VENTURE WITH SRIFEUNGFUNG FAMILY (THAI ASAHI GLASS) PER REF A WAS NOT INVOLVED IN CATHAY-DIAMOND VENTURE BUT DID HAVE INTEREST IN DOING WORK ON SODA ASH PROJECT AS WELL. DIAMOND SAYS CONFIDENTIALLY THAT CHIARTE SRIFEUNGFUNG, FAMILY PATRIARCH, ASKED DIAMOND TO COME IN ON THIS PROJECT AS HE WANTED WESTERN PARTICIPATION. HOWEVER, CHIARTI IS GETTING OLDER AND HIS HEIR APPARENT, A SON-IN-LAW OR CONFIDENTIAL

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NEPHEW, IS MORE FAVORABLY DISPOSED TOWARD JAPANESE. DIAMOND BELIEVES CATHAY TRUST WAS GIVEN EXCLUSIVE RIGHTS TO MINE SODA ASH RAW MATERIALS BY THAI GOVERNMENT IN 1974. DO NOT KNOW STATUS OF THIS CONCESSION NOW. END FYI. IF THIS INFORMATION IS INACCURATE, PLEASE ADVISE FURTHER.

4. WE HAVE ALSO HEARD THAT DRILLING AND ROCK SAMPLING PORTION OF FEASIBILITY WORK, WHICH WAS TO BE FINANCED IN LOCAL CURRENCY, HAS ALREADY BEEN AWARDED. CAN EMBASSY CONFIRM THIS? TO WHOM WAS AWARD MADE?

5. PER ABOVE, PRIMARY INTEREST OF DIAMOND, PPG, AND WE ASSUME ASAHI GLASS WOULD BE IN PROVIDING TECHNICAL ASSISTANCE AND PROCESS TECHNOLOGY. DIAMOND IS INTERESTED IN EQUITY PARTICIPATION AS WELL. WE ARE NOT SURE OF PPG'S INTENTIONS ON INVESTMENT IN PROJECT. AS U.S. FIRMS WISH TO INVEST IN PROJECT, WE WOULD, OF COURSE, ASSIST THEM. HOWEVER, WE SEE USG COMMERCIAL INTEREST IN THIS PROJECT PRIMARILY AS MAXIMIZING U.S. PARTICIPATION IN

SUPPLY OF TECHNOLOGY, CONSULTANT/ENGINEERING/
CONSTRUCTION SERVICES AND EQUIPMENT. WITH JAPANESE,
CANADIAN OR GERMAN FIRM ACTING AS CONSULTANT, SUPPLYING
BASIC PROCESSES, OR TAKING EQUITY POSITION, U.S. EXPORTS
WOULD PROBABLY BE MINIMAL.

6. FOR USADB: REGRET REF B NOT RECEIVED IN COMMERCE
UNTIL AFTER TRANSMITTAL OF REF D, SINCE ACTION REF B
INADVERTANTLY DIRECTED TO OTHER AGENCY.
CHRISTOPHER

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NNN

Message Attributes

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Sent Date: 31-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Enclosure: n/a
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Errors: N/A
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To: BANGKOK MANILA
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